

Budget Choice for Acton Voters

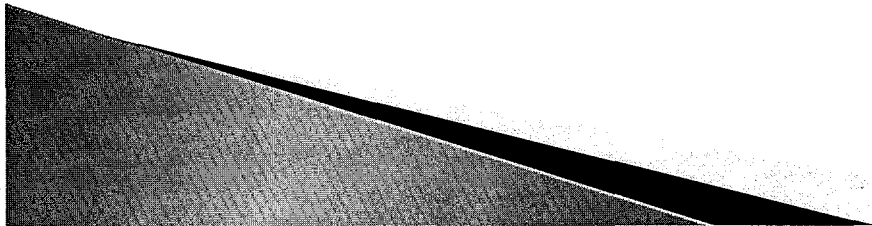
- ▶ **Dire economic signs are a warning**
 - Budget prudently for the long term
 - Protect the reserves
- ▶ **Give voters a balanced budget choice at TM**
 - Balanced budget using no reserves
- ▶ **Provide a clear policy to protect reserves**
 - Maintain at prudent level

11/03/08

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Acton Voters Group is continuing

- **Positive feedback to AVG from Special Town Meeting**
- **Acton Voters Group Plans**
 - Work to give voters a balanced budget choice at TM
 - Work to protect the reserves
 - Recommend Acton adopt a reserve policy
 - Publicize spending on recurring expenses
 - Advocate for vulnerable citizens

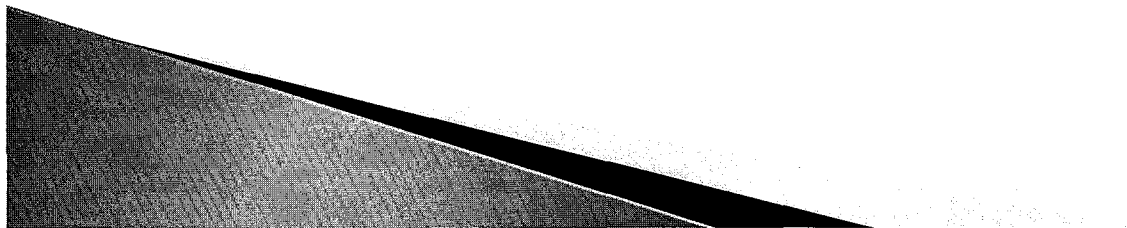


Acton 3-year plan has problems

	DRAFT					Revised 10/10/08				
Multi-Year Plan	*All numbers are early projections and are subject to change									
Revenues:	FY08		FY09		FY10		FY11		FY12	
TOTAL	\$	72,233	\$	76,881	\$	81,564	\$	85,995	\$	90,698
% increase				6.3%		6.1%		5.4%		5.5%
NET POSITION	\$	900	\$	200	\$	(1,787)	\$	(2,018)	\$	(3,315)
Reserves:										
Free Cash	\$	1,900	\$	2,455	\$	2,475	\$	(339)	\$	(3,654)
NESWC	\$	4,886	\$	4,469	\$	3,069	\$	1,869	\$	1,000
E&D	\$	1,100	\$	726	\$	446	\$	154	\$	154
TOTAL	\$	7,886	\$	7,650	\$	5,990	\$	1,684	\$	(2,500)

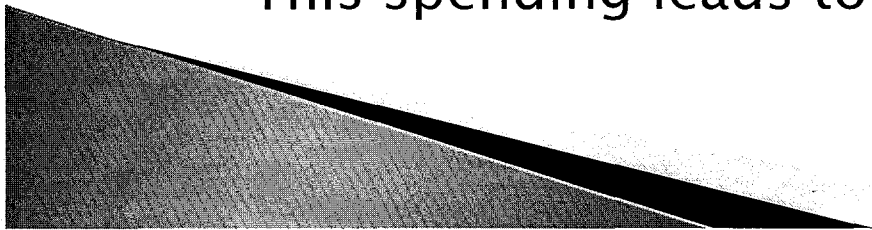
AVG comments on the budget

- ▶ How will Acton avoid the planned FY12 override?
 - Where is the clear plan to control spending?
 - How will personnel costs be controlled?
 - How will personnel numbers be controlled?
 - AVG wants to protect our workforce against layoffs
 - We recommend a no raise policy
 - We recommend a hard look at benefits
 - We recommend TM approval of any hires
 - Where is the cost reduction plan?
- ▶ AVG: give voters a balanced budget choice at TM
 - Budget in accord with Mass DOR best practices
 - Do not spend reserves for recurring expenses: too risky

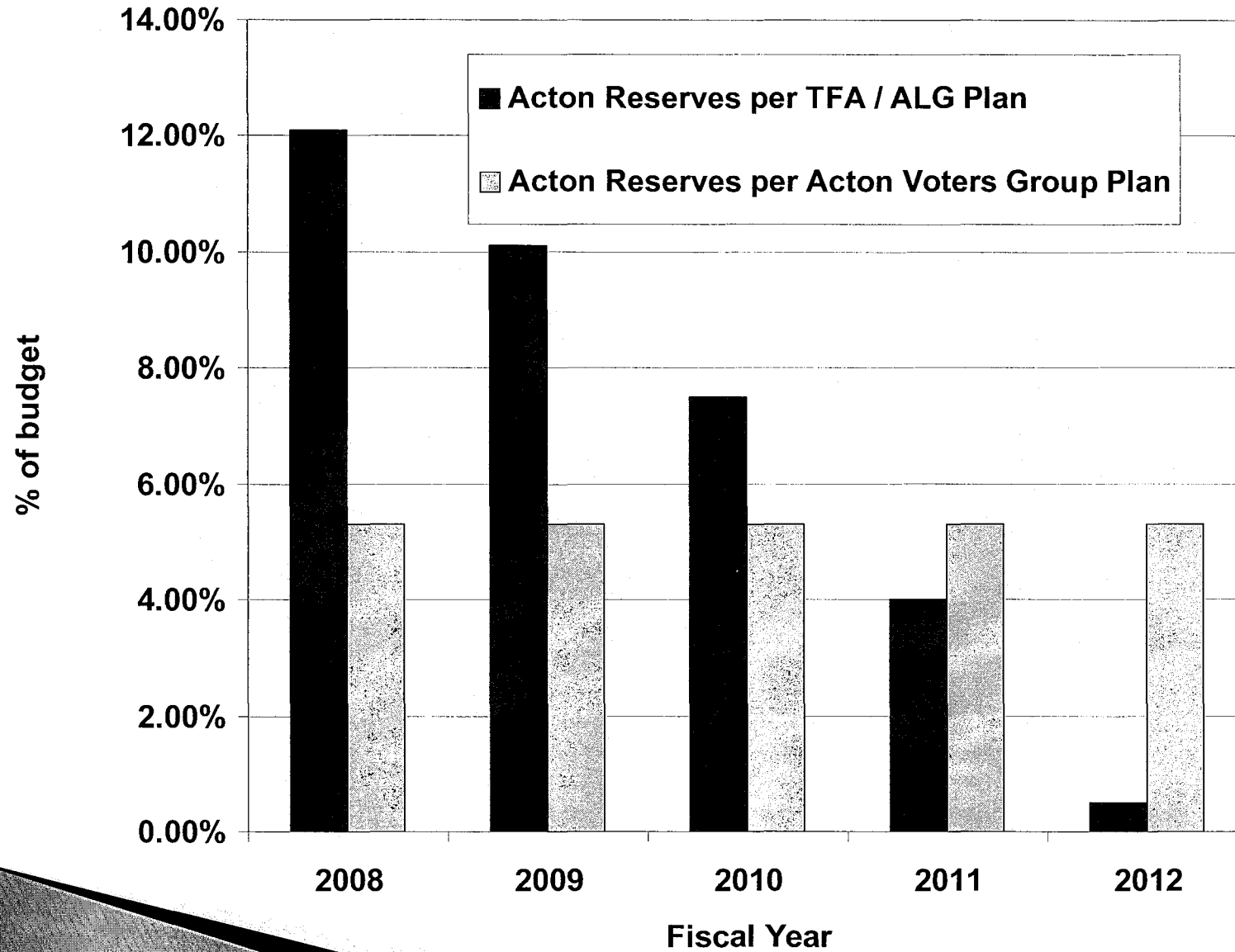


Why a balanced budget?

- ▶ ALG spends reserves to “balance the budget”
 - Reserves spend to near zero in 2005, 2006
 - Planning to do so in 2010, 2011, 2012?
 - Plans for an override when reserves run out ?
 - To cover the deficit in FY12 will require \$10m+
- ▶ A balanced budget does not use reserves
 - DOR best practices says it is not prudent to do so
 - Using reserves for budgets is deficit spending
- ▶ Spending reserves on the budget is risky
 - What happened when the reserves run out?
 - This spending leads to overrides



Projected Reserve levels, Acton

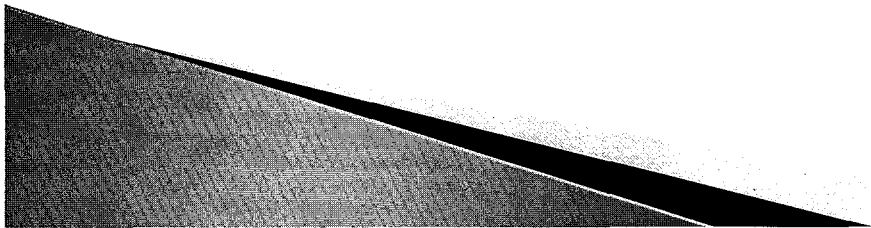


AVG comments on the Reserves

- ▶ STM message: protect the reserves
 - Comparable towns keep reserves at the 10% level

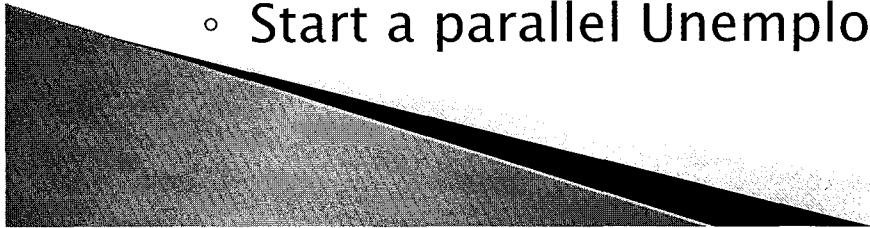
- ▶ The ALG 3-year plan is to spend the reserves
 - From \$7.2M to \$1.4M, to the 1.5% level
 - As of 10/10/08: spend to -\$2.5M?
 - Not in accord with best fiscal practices

- ▶ Acton needs to adopt a reserve policy
 - In accord with Mass DOR best practices



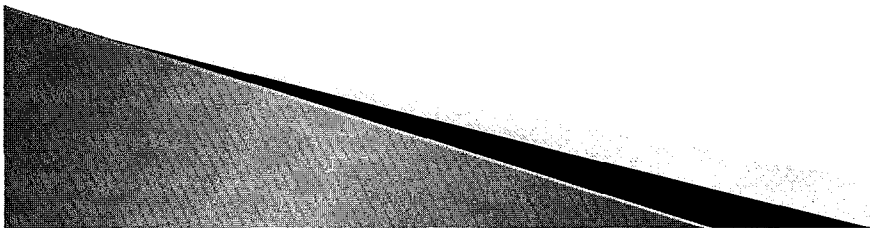
Acton's vulnerable citizens need tax relief

- **Acton Property Taxes are hurting people now**
- **Economy will cause increased hardships**
 - Housing values down
 - Stocks down and volatile
 - Unemployment is rising
- **Acton needs to be pro-active to begin help now**
 - Avoid FY12 override
 - Minimize tax increases
 - Find ways to increase Senior relief fund
 - Start a parallel Unemployed relief fund



Sense of the Town survey

- ▶ AVG suggests: add non-binding Q's on ballot
 - A no cost way to survey the voters on key issues
- ▶ Suggested topics to start
 - Do voters want a balanced budget choice?
 - Do voters want a reserve policy?
- ▶ AVG will formally ask for this in November



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